

AMENDED IN SENATE JUNE 2, 2011

AMENDED IN SENATE APRIL 25, 2011

SENATE BILL

No. 228

Introduced by Senator Wyland

February 9, 2011

An act to amend Sections 6757, 7872, 8996, 11496, ~~19221~~, 30322, 32363, 38532, 40158, 41124.1, 43413, 45451, 46421, 50123, 55141, and 60445 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 228, as amended, Wyland. Taxation: state tax liens.

Existing law requires the payment of taxes, fees, and surcharges that are administered by the State Board of Equalization under the provisions of the Sales and Use Tax Law, Motor Vehicle Fuel Tax Law, Use Fuel Tax Law, Private Railroad Car Tax Law, Cigarette and Tobacco Products Tax Law, Alcoholic Beverage Tax Law, Timber Yield Tax Law, Energy Resources Surcharge Law, Emergency Telephone Users Surcharge Act, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Oil Spill Response, Prevention, and Administration Fees Law, Underground Storage Tank Maintenance Fee Law, Fee Collection Procedures Law, and Diesel Fuel Tax Law. ~~Existing law requires the payment of taxes that are administered by the Franchise Tax Board under the provisions of the Personal Income Tax Law and the Corporation Tax Law. Existing law also requires a perfected and enforceable~~ *creates a state tax lien against that attaches to the property of any person who fails to pay any amount imposed under these laws when that amount becomes due and payable, but remains unpaid. Existing law requires that this state tax lien continue in effect for 10*

years unless sooner released or discharged, or unless ~~the~~ *a notice of state tax lien is extended for a further 10-year period filed, as provided.*

This bill would authorize the State Board of Equalization; *or* the Controller, ~~or the Franchise Tax Board~~ to withdraw notice of a state tax lien if the liability that gave rise to the state tax lien, including penalties and interest, is paid in full. This bill would further require that any withdrawn state tax lien be applied as if notice of the state tax lien had not been filed, and require, as specified, written notice of the withdrawal of the state tax lien.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6757 of the Revenue and Taxation Code
2 is amended to read:

3 6757. (a) If any person fails to pay any amount imposed under
4 this part at the time that it becomes due and payable, the amount
5 thereof, including penalties and interest, together with any costs
6 in addition thereto, shall thereupon be a perfected and enforceable
7 state tax lien. The lien is subject to Chapter 14 (commencing with
8 Section 7150) of Division 7 of Title 1 of the Government Code.

9 (b) For the purpose of this section, amounts are “due and
10 payable” on the following dates:

11 (1) For amounts disclosed on a return received by the board
12 before the date the return is delinquent, the date the return would
13 have been delinquent;

14 (2) For amounts disclosed on a return filed on or after the date
15 the return is delinquent, the date the return is received by the board;

16 (3) For amounts determined under Section 6536 (pertaining to
17 jeopardy assessments), the date the notice of the board’s finding
18 is mailed or issued;

19 (4) For all other amounts, the date the assessment is final.

20 (c) The lien provided by this section shall not arise during any
21 period that Section 362 of the United States Bankruptcy Code
22 applies to the person against whom the lien would otherwise apply.

23 (d) (1) The board may withdraw notice of a state tax lien, and
24 the withdrawal shall be applied as if notice of the state tax lien had
25 not been filed, if the liability represented by the state tax lien,
26 including any interest and penalty, is paid in full. A withdrawal

1 shall be made by filing a notice of withdrawal at the same office
2 in which the notice of state tax lien was filed. A copy of the notice
3 of withdrawal shall be provided to the taxpayer.

4 (2) Upon written request by the taxpayer with respect to whom
5 a notice of a state tax lien was withdrawn, the board shall make
6 reasonable efforts to notify credit reporting agencies, and any
7 financial institution or creditor whose name and address are
8 specified in that request, of the withdrawal of the notice.

9 SEC. 2. Section 7872 of the Revenue and Taxation Code is
10 amended to read:

11 7872. (a) If any person fails to pay any amount imposed under
12 this part at the time that it becomes due and payable, the amount
13 thereof, including penalties and interest, together with any costs
14 in addition thereto, shall thereupon be a perfected and enforceable
15 state tax lien. Such a lien is subject to Chapter 14 (commencing
16 with Section 7150) of Division 7 of Title 1 of the Government
17 Code.

18 (b) For the purpose of this section, amounts are “due and
19 payable” on the following dates:

20 (1) For amounts disclosed on a return received by the board
21 before the date the return is delinquent, the date the return would
22 have been delinquent;

23 (2) For amounts disclosed on a return filed on or after the date
24 the return is delinquent, the date the return is received by the board;

25 (3) For amounts determined under Section 7698 (pertaining to
26 jeopardy assessments), the date the notice of the board’s finding
27 is mailed or issued;

28 (4) For all other amounts, the date the assessment is final.

29 (c) (1) The Controller may withdraw notice of a state tax lien,
30 and the withdrawal shall be applied as if notice of the state tax lien
31 had not been filed, if the liability represented by the state tax lien,
32 including any interest and penalty, is paid in full. A withdrawal
33 shall be made by filing a notice of withdrawal at the same office
34 in which the notice of state tax lien was filed. A copy of the notice
35 of withdrawal shall be provided to the taxpayer.

36 (2) Upon written request by the taxpayer with respect to whom
37 a notice of a state tax lien was withdrawn, the Controller shall
38 make reasonable efforts to notify credit reporting agencies, and
39 any financial institution or creditor whose name and address are
40 specified in that request, of the withdrawal of the notice.

SEC. 3. Section 8996 of the Revenue and Taxation Code is amended to read:

8996. (a) If any person fails to pay any amount imposed under this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien. Such a lien is subject to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code.

(b) For the purpose of this section, amounts are “due and payable” on the following dates:

(1) For amounts disclosed on a return received by the board before the date the return is delinquent, the date the return would have been delinquent;

(2) For amounts disclosed on a return filed on or after the date the return is delinquent, the date the return is received by the board;

(3) For amounts determined under Section 8826 (pertaining to jeopardy assessments), the date the notice of the board’s finding is mailed or issued;

(4) For all other amounts, the date the assessment is final.

(c) (1) The board may withdraw notice of a state tax lien, and the withdrawal shall be applied as if notice of the state tax lien had not been filed, if the liability represented by the state tax lien, including any interest and penalty, is paid in full. A withdrawal shall be made by filing a notice of withdrawal at the same office in which the notice of state tax lien was filed. A copy of the notice of withdrawal shall be provided to the taxpayer.

(2) Upon written request by the taxpayer with respect to whom a notice of a state tax lien was withdrawn, the board shall make reasonable efforts to notify credit reporting agencies, and any financial institution or creditor whose name and address are specified in that request, of the withdrawal of the notice.

SEC. 4. Section 11496 of the Revenue and Taxation Code is amended to read:

11496. (a) The board may at any time release all or any portion of the property subject to any lien provided for in this part from the lien or subordinate the lien to other liens and encumbrances if it determines that the amount, interest, and penalties are sufficiently secured by a lien on other property or that the release or

1 subordination of the lien will not jeopardize the collection of the
2 amount, interest, and penalties.

3 (b) (1) The board may withdraw notice of a state tax lien, and
4 the withdrawal shall be applied as if notice of the state tax lien had
5 not been filed, if the liability represented by the state tax lien,
6 including any interest and penalty, is paid in full. A withdrawal
7 shall be made by filing a notice of withdrawal at the same office
8 in which the notice of state tax lien was filed. A copy of the notice
9 of withdrawal shall be provided to the taxpayer.

10 (2) Upon written request by the taxpayer with respect to whom
11 a notice of a state tax lien was withdrawn, the board shall make
12 reasonable efforts to notify credit reporting agencies, and any
13 financial institution or creditor whose name and address are
14 specified in that request, of the withdrawal of the notice.

15 ~~SEC. 5. Section 19221 of the Revenue and Taxation Code is~~
16 ~~amended to read:~~

17 ~~19221. (a) If any taxpayer or person fails to pay any liability~~
18 ~~imposed under Part 10 (commencing with Section 17001) or Part~~
19 ~~11 (commencing with Section 23001) at the time that it becomes~~
20 ~~due and payable, the amount thereof, (including any interest,~~
21 ~~additional amount, addition to tax, or penalty, together with any~~
22 ~~costs that may accrue in addition thereto) shall thereupon be a~~
23 ~~perfected and enforceable state tax lien. This lien is subject to~~
24 ~~Chapter 14 (commencing with Section 7150) of Division 7 of Title~~
25 ~~1 of the Government Code.~~

26 ~~(b) For the purpose of this section, amounts are “due and~~
27 ~~payable” on the following dates:~~

28 ~~(1) For amounts of any liability disclosed on a return filed on~~
29 ~~or before the date payment is due (with regard to any extension of~~
30 ~~time to pay), the date the amount is established on the records of~~
31 ~~the Franchise Tax Board, except that in no case will it be prior to~~
32 ~~the day after the payment due date;~~

33 ~~(2) For amounts of any liability disclosed on a return filed after~~
34 ~~the date payment is due (with regard to any extension of time to~~
35 ~~pay), the date the amount is established on the records of the~~
36 ~~Franchise Tax Board;~~

37 ~~(3) For amounts of any liability determined under Section 19081~~
38 ~~or 19082 (pertaining to jeopardy assessments), the date the notice~~
39 ~~of the Franchise Tax Board’s finding is mailed or issued;~~

1 ~~(4) For all other amounts of liability, the date the assessment is~~
2 ~~final.~~

3 ~~(e) Notwithstanding subdivision (a), during any period that~~
4 ~~Section 362 of Title 11 of the United States Code applies, any tax~~
5 ~~lien that would otherwise attach to property by reason of~~
6 ~~subdivision (a) shall not take effect, unless the tax is a debt of the~~
7 ~~debtor that will not be discharged in the bankruptcy proceeding~~
8 ~~and the property or its proceeds are transferred out of the~~
9 ~~bankruptcy estate to, or otherwise revested in, the debtor.~~

10 ~~(d) (1) The Franchise Tax Board may withdraw notice of a state~~
11 ~~tax lien, and the withdrawal shall be applied as if the notice of the~~
12 ~~state tax lien had not been filed, if the liability represented by the~~
13 ~~state tax lien, including any interest and penalty, is paid in full. A~~
14 ~~withdrawal shall be made by filing a notice of withdrawal at the~~
15 ~~same office in which the notice of state tax lien was filed. A copy~~
16 ~~of the notice of withdrawal shall be provided to the taxpayer.~~

17 ~~(2) Upon written request by the taxpayer with respect to whom~~
18 ~~a notice of a state tax lien was withdrawn, the Franchise Tax Board~~
19 ~~shall make reasonable efforts to notify credit reporting agencies,~~
20 ~~and any financial institution or creditor whose name and address~~
21 ~~are specified in that request, of the withdrawal of the notice.~~

22 ~~SEC. 6.~~

23 ~~SEC. 5.~~ Section 30322 of the Revenue and Taxation Code is
24 ~~amended to read:~~

25 30322. (a) If any person fails to pay any amount imposed
26 under this part at the time that it becomes due and payable, the
27 amount thereof, including penalties and interest, together with any
28 costs in addition thereto, shall thereupon be a perfected and
29 enforceable state tax lien. Such a lien is subject to Chapter 14
30 (commencing with Section 7150) of Division 7 of Title 1 of the
31 Government Code.

32 (b) For the purpose of this section, amounts are “due and
33 payable” on the following dates:

34 (1) For amounts disclosed on a return received by the board
35 before the date the return is delinquent, the date the return would
36 have been delinquent;

37 (2) For amounts disclosed on a return filed on or after the date
38 the return is delinquent, the date the return is received by the board;

1 (3) For amounts determined under Section 30241 (pertaining
2 to jeopardy assessments), the date the notice of the board's finding
3 is mailed or issued;

4 (4) For all other amounts, the date the assessment is final.

5 (c) (1) The board may withdraw notice of a state tax lien, and
6 the withdrawal shall be applied as if notice of the state tax lien had
7 not been filed, if the liability represented by the state tax lien,
8 including any interest and penalty, is paid in full. A withdrawal
9 shall be made by filing a notice of withdrawal at the same office
10 in which the notice of state tax lien was filed. A copy of the notice
11 of withdrawal shall be provided to the taxpayer.

12 (2) Upon written request by the taxpayer with respect to whom
13 a notice of a state tax lien was withdrawn, the board shall make
14 reasonable efforts to notify credit reporting agencies, and any
15 financial institution or creditor whose name and address are
16 specified in that request, of the withdrawal of the notice.

17 ~~SEC. 7.~~

18 *SEC. 6.* Section 32363 of the Revenue and Taxation Code is
19 amended to read:

20 32363. (a) If any person fails to pay any amount imposed
21 under this part at the time that it becomes due and payable, the
22 amount thereof, including penalties and interest, together with any
23 costs in addition thereto, shall thereupon be a perfected and
24 enforceable state tax lien. Such a lien is subject to Chapter 14
25 (commencing with Section 7150) of Division 7 of Title 1 of the
26 Government Code.

27 (b) For the purpose of this section, amounts are "due and
28 payable" on the following dates:

29 (1) For amounts disclosed on a return received by the board
30 before the date the return is delinquent, the date the return would
31 have been delinquent;

32 (2) For amounts disclosed on a return filed on or after the date
33 the return is delinquent, the date the return is received by the board;

34 (3) For amounts determined under Section 32311 (pertaining
35 to jeopardy assessments), the date the notice of the board's finding
36 is mailed or issued;

37 (4) For all other amounts, the date the assessment is final.

38 (c) (1) The board may withdraw notice of a state tax lien, and
39 the withdrawal shall be applied as if notice of the state tax lien had
40 not been filed, if the liability represented by the state tax lien,

1 including any interest and penalty, is paid in full. A withdrawal
2 shall be made by filing a notice of withdrawal at the same office
3 in which the notice of state tax lien was filed. A copy of the notice
4 of withdrawal shall be provided to the taxpayer.

5 (2) Upon written request by the taxpayer with respect to whom
6 a notice of a state tax lien was withdrawn, the board shall make
7 reasonable efforts to notify credit reporting agencies, and any
8 financial institution or creditor whose name and address are
9 specified in that request, of the withdrawal of the notice.

10 ~~SEC. 8.~~

11 *SEC. 7.* Section 38532 of the Revenue and Taxation Code is
12 amended to read:

13 38532. (a) If any amount required to be paid to the state under
14 this part is not paid at the time that it becomes due and payable,
15 the amount thereof, including penalties and interest, together with
16 any costs in addition thereto, shall thereupon be a perfected and
17 enforceable state tax lien. Such a lien is subject to Chapter 14
18 (commencing with Section 7150) of Division 7 of Title 1 of the
19 Government Code.

20 (b) For the purpose of this section, amounts are “due and
21 payable” on the following dates:

22 (1) For amounts disclosed on a return received by the board
23 before the date the return is delinquent, the date the return would
24 have been delinquent.

25 (2) For amounts disclosed on a return filed on or after the date
26 the return is delinquent, the date the return is received by the board.

27 (3) For amounts received under Section 38431 (pertaining to
28 jeopardy assessments), the date the notice of the board’s finding
29 is mailed or issued.

30 (4) For all other amounts, the date the assessment is final.

31 (c) (1) The board may withdraw notice of a state tax lien, and
32 the withdrawal shall be applied as if notice of the state tax lien had
33 not been filed, if the liability represented by the state tax lien,
34 including any interest and penalty, is paid in full. A withdrawal
35 shall be made by filing a notice of withdrawal at the same office
36 in which the notice of state tax lien was filed. A copy of the notice
37 of withdrawal shall be provided to the taxpayer.

38 (2) Upon written request by the taxpayer with respect to whom
39 a notice of a state tax lien was withdrawn, the board shall make
40 reasonable efforts to notify credit reporting agencies, and any

1 financial institution or creditor whose name and address are
2 specified in that request, of the withdrawal of the notice.

3 ~~SEC. 9.~~

4 *SEC. 8.* Section 40158 of the Revenue and Taxation Code is
5 amended to read:

6 40158. (a) If any person fails to pay any amount imposed
7 under this part at the time that it becomes due and payable, the
8 amount thereof, including penalties and interest, together with any
9 costs in addition thereto, shall thereupon be a perfected and
10 enforceable state tax lien. Such a lien is subject to Chapter 14
11 (commencing with Section 7150) of Division 7 of Title 1 of the
12 Government Code.

13 (b) For the purpose of this section, amounts are “due and
14 payable” on the following dates:

15 (1) For amounts disclosed on a return received by the board
16 before the date the return is delinquent, the date the return would
17 have been delinquent.

18 (2) For amounts disclosed on a return filed on or after the date
19 the return is delinquent, the date the return is received by the board.

20 (3) For all other amounts, the date the assessment is final.

21 (c) (1) The board may withdraw notice of a state tax lien, and
22 the withdrawal shall be applied as if notice of the state tax lien had
23 not been filed, if the liability represented by the state tax lien,
24 including any interest and penalty, is paid in full. A withdrawal
25 shall be made by filing a notice of withdrawal at the same office
26 in which the notice of state tax lien was filed. A copy of the notice
27 of withdrawal shall be provided to the taxpayer.

28 (2) Upon written request by the taxpayer with respect to whom
29 a notice of a state tax lien was withdrawn, the board shall make
30 reasonable efforts to notify credit reporting agencies, and any
31 financial institution or creditor whose name and address are
32 specified in that request, of the withdrawal of the notice.

33 ~~SEC. 10.~~

34 *SEC. 9.* Section 41124.1 of the Revenue and Taxation Code is
35 amended to read:

36 41124.1. (a) If any person fails to pay any amount imposed
37 under this part at the time that it becomes due and payable, the
38 amount thereof, including penalties and interest, together with any
39 costs in addition thereto, shall thereupon be a perfected and
40 enforceable state tax lien. Such a lien is subject to Chapter 14

1 (commencing with Section 7150) of Division 7 of Title 1 of the
2 Government Code.

3 (b) For the purpose of this section, amounts are “due and
4 payable” on the following dates:

5 (1) For amounts disclosed on a return received by the board
6 before the date the return is delinquent, the date the return would
7 have been delinquent.

8 (2) For amounts disclosed on a return filed on or after the date
9 the return is delinquent, the date the return is received by the board.

10 (3) For all other amounts, the date the assessment is final.

11 (c) (1) The board may withdraw notice of a state tax lien, and
12 the withdrawal shall be applied as if notice of the state tax lien had
13 not been filed, if the liability represented by the state tax lien,
14 including any interest and penalty, is paid in full. A withdrawal
15 shall be made by filing a notice of withdrawal at the same office
16 in which the notice of state tax lien was filed. A copy of the notice
17 of withdrawal shall be provided to the taxpayer.

18 (2) Upon written request by the taxpayer with respect to whom
19 a notice of a state tax lien was withdrawn, the board shall make
20 reasonable efforts to notify credit reporting agencies, and any
21 financial institution or creditor whose name and address are
22 specified in that request, of the withdrawal of the notice.

23 ~~SEC. 11.~~

24 *SEC. 10.* Section 43413 of the Revenue and Taxation Code is
25 amended to read:

26 43413. (a) If any person fails to pay any amount imposed
27 pursuant to this part at the time that it becomes due and payable,
28 the amount thereof, including penalties and interest, together with
29 any costs in addition thereto, shall thereupon be a perfected and
30 enforceable state tax lien. Such a lien is subject to Chapter 14
31 (commencing with Section 7150) of Division 7 of Title 1 of the
32 Government Code.

33 (b) For the purpose of this section, amounts are “due and
34 payable” on the following dates:

35 (1) For amounts disclosed on a return received by the board
36 before the date the return is delinquent, the date the return would
37 have been delinquent.

38 (2) For amounts disclosed on a return filed on or after the date
39 the return is delinquent, the date the return is received by the board.

1 (3) For amounts determined under Section 43350 (pertaining
2 to jeopardy assessments), the date the notice of the board's finding
3 is mailed or issued.

4 (4) For all other amounts, the date the assessment is final.

5 (c) (1) The board may withdraw notice of a state tax lien, and
6 the withdrawal shall be applied as if notice of the state tax lien had
7 not been filed, if the liability represented by the state tax lien,
8 including any interest and penalty, is paid in full. A withdrawal
9 shall be made by filing a notice of withdrawal at the same office
10 in which the notice of state tax lien was filed. A copy of the notice
11 of withdrawal shall be provided to the taxpayer.

12 (2) Upon written request by the taxpayer with respect to whom
13 a notice of a state tax lien was withdrawn, the board shall make
14 reasonable efforts to notify credit reporting agencies, and any
15 financial institution or creditor whose name and address are
16 specified in that request, of the withdrawal of the notice.

17 ~~SEC. 12.~~

18 *SEC. 11.* Section 45451 of the Revenue and Taxation Code is
19 amended to read:

20 45451. (a) If any person fails to pay any amount imposed
21 pursuant to this part at the time that it becomes due and payable,
22 the amount thereof, including penalties and interest, together with
23 any costs in addition thereto, shall thereupon be a perfected and
24 enforceable state tax lien. A lien is subject to Chapter 14
25 (commencing with Section 7150) of Division 7 of Title 1 of the
26 Government Code.

27 (b) For the purpose of this section, amounts are due and payable
28 on the following dates:

29 (1) For amounts disclosed on a report received by the board
30 before the date the return is delinquent, the date the amount would
31 have been due and payable.

32 (2) For amounts disclosed on a report filed on or after the date
33 the return is delinquent, the date the return is received by the board
34 or the year following the fee due date pursuant to Section 45151,
35 whichever is later.

36 (3) For amounts determined under Section 45351, pertaining to
37 jeopardy assessments, the date the notice of the board's finding is
38 mailed or issued.

39 (4) For all other amounts, the date the assessment is final.

(c) (1) The board may withdraw notice of a state tax lien, and the withdrawal shall be applied as if notice of the state tax lien had not been filed, if the liability represented by the state tax lien, including any interest and penalty, is paid in full. A withdrawal shall be made by filing a notice of withdrawal at the same office in which the notice of state tax lien was filed. A copy of the notice of withdrawal shall be provided to the taxpayer.

(2) Upon written request by the taxpayer with respect to whom a notice of a state tax lien was withdrawn, the board shall make reasonable efforts to notify credit reporting agencies, and any financial institution or creditor whose name and address are specified in that request, of the withdrawal of the notice.

~~SEC. 13.~~

SEC. 12. Section 46421 of the Revenue and Taxation Code is amended to read:

46421. (a) If any person fails to pay any amount imposed pursuant to this part at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable *state tax* lien. The lien shall be subject to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code.

(b) For the purpose of this section, amounts are “due and payable” on the following dates:

(1) For amounts disclosed on a return received by the board before the date the return is delinquent, the date the amount would have been due and payable.

(2) For amounts disclosed on a return filed on or after the date the return is delinquent, the date the return is received by the board.

(3) For amounts determined under Section 46301 pertaining to jeopardy assessments, the date the notice of the board’s finding is mailed or issued.

(4) For all other amounts, the date the assessment is final.

(c) (1) The board may withdraw notice of a state tax lien, and the withdrawal shall be applied as if notice of the state tax lien had not been filed, if the liability represented by the state tax lien, including any interest and penalty, is paid in full. A withdrawal shall be made by filing a notice of withdrawal at the same office in which the notice of state tax lien was filed. A copy of the notice of withdrawal shall be provided to the taxpayer.

1 (2) Upon written request by the taxpayer with respect to whom
2 a notice of a state tax lien was withdrawn, the board shall make
3 reasonable efforts to notify credit reporting agencies, and any
4 financial institution or creditor whose name and address are
5 specified in that request, of the withdrawal of the notice.

6 ~~SEC. 14.~~

7 *SEC. 13.* Section 50123 of the Revenue and Taxation Code is
8 amended to read:

9 50123. (a) If any person fails to pay any amount imposed
10 pursuant to this part at the time that it becomes due and payable,
11 the amount, including interest and penalties, together with any
12 costs in addition to the amount, are a perfected and enforceable
13 state tax lien which is subject to Chapter 14 (commencing with
14 Section 7150) of Division 7 of Title 1 of the Government Code.

15 (b) (1) The board may withdraw notice of a state tax lien, and
16 the withdrawal shall be applied as if notice of the state tax lien had
17 not been filed, if the liability represented by the state tax lien,
18 including any interest and penalty, is paid in full. A withdrawal
19 shall be made by filing a notice of withdrawal at the same office
20 in which the notice of state tax lien was filed. A copy of the notice
21 of withdrawal shall be provided to the taxpayer.

22 (2) Upon written request by the taxpayer with respect to whom
23 a notice of a state tax lien was withdrawn, the board shall make
24 reasonable efforts to notify credit reporting agencies, and any
25 financial institution or creditor whose name and address are
26 specified in that request, of the withdrawal of the notice.

27 ~~SEC. 15.~~

28 *SEC. 14.* Section 55141 of the Revenue and Taxation Code is
29 amended to read:

30 55141. (a) If any person fails to pay any amount imposed
31 pursuant to this part at the time that it becomes due and payable,
32 the amount thereof, including penalties and interest, together with
33 any costs in addition thereto, shall thereupon be a perfected and
34 enforceable state tax lien. Such a lien is subject to Chapter 14
35 (commencing with Section 7150) of Division 7 of Title 1 of the
36 Government Code.

37 (b) For the purpose of this section, amounts are “due and
38 payable” on the following dates:

1 (1) For amounts disclosed on a return received by the board
2 before the date the return is delinquent, the date the return would
3 have been delinquent.

4 (2) For amounts disclosed on a return filed on or after the date
5 the return is delinquent, the date the return is received by the board.

6 (3) For amounts determined under Section 55101, the date the
7 notice of the board's finding is mailed or issued.

8 (4) For all other amounts, the date the assessment is final.

9 (c) (1) The board may withdraw notice of a state tax lien, and
10 the withdrawal shall be applied as if notice of the state tax lien had
11 not been filed, if the liability represented by the state tax lien,
12 including any interest and penalty, is paid in full. A withdrawal
13 shall be made by filing a notice of withdrawal at the same office
14 in which the notice of state tax lien was filed. A copy of the notice
15 of withdrawal shall be provided to the taxpayer.

16 (2) Upon written request by the taxpayer with respect to whom
17 a notice of a state tax lien was withdrawn, the board shall make
18 reasonable efforts to notify credit reporting agencies, and any
19 financial institution or creditor whose name and address are
20 specified in that request, of the withdrawal of the notice.

21 ~~SEC. 16.~~

22 *SEC. 15.* Section 60445 of the Revenue and Taxation Code is
23 amended to read:

24 60445. (a) If any person fails to pay any amount imposed
25 under this part at the time that it becomes due and payable, the
26 amount thereof, including penalties and interest, together with any
27 costs in addition thereto, shall thereupon be a perfected and
28 enforceable state tax lien. That lien is subject to Chapter 14
29 (commencing with Section 7150) of Division 7 of Title 1 of the
30 Government Code.

31 (b) For the purpose of this section, amounts are "due and
32 payable" on the following dates:

33 (1) For amounts disclosed on a return received by the board
34 before the date the return is delinquent, the date the return would
35 have been delinquent.

36 (2) For amounts disclosed on a return filed on or after the date
37 the return is delinquent, the date the return is received by the board.

38 (3) For amounts determined under Section 60330 (pertaining
39 to jeopardy assessments), the date the notice of the board's finding
40 is mailed or issued.

1 (4) For all other amounts, the date the assessment is final.

2 (c) (1) The board may withdraw notice of a state tax lien, and
3 the withdrawal shall be applied as if notice of the state tax lien had
4 not been filed, if the liability represented by the state tax lien,
5 including any interest and penalty, is paid in full. A withdrawal
6 shall be made by filing a notice of withdrawal at the same office
7 in which the notice of state tax lien was filed. A copy of the notice
8 of withdrawal shall be provided to the taxpayer.

9 (2) Upon written request by the taxpayer with respect to whom
10 a notice of a state tax lien was withdrawn, the board shall make
11 reasonable efforts to notify credit reporting agencies, and any
12 financial institution or creditor whose name and address are
13 specified in that request, of the withdrawal of the notice.